

Consumer Credit Provider Speeds up and Simplifies Risk Assessment Process Thanks to ABBYY Recognition Server and Davinci DTA

Freo was founded by Rabobank and De Lage Landen Financial Services as an alternative to the multitude of providers of 'too good to be true' loans, who often offered their customers misleading information and mis-sold products or product types. As an online player, Freo wants to occupy a distinctive position by offering two types of affordable loans that are clear, jargon-free and easy to understand, without any hidden surprises. As credit application processing traditionally involves a lot of manual document handling, Freo wanted to find a way to automate this process.

Challenge

"Our aim is to ensure that our clients can borrow money in a simple, straightforward and transparent way," explains Guido Kersten, Risk Portfolio Management Manager at De Lage Landen International, the parent company of Freo. "As an efficient and responsible lender, it is also our responsibility to carefully process, check and verify all of the applicant's details to ensure we give loans to the right profile of borrower."

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*Guido Kersten,
Risk Portfolio Management Manager
at De Lage Landen International*

As Freo is an online credit provider, everything is processed as much as possible via the Internet. Nevertheless, the client is still expected to submit certain documents to support his or her application. Proof of identity, most recent pay slip, bank statements - everything that is required to verify the bor-

rower's credit history and ability to repay the loan. When someone applies for a loan, Freo will carefully weigh up all the options and inform the client of their decision. They are extremely strict and are continuously vetted by the financial services regulatory authorities, so all documentation must be carefully tracked.

In order to maintain its market share and to minimise its processing costs, Freo needs to operate efficiently and effectively. That often means digitising and automating as much of the process as possible. But applicants still need to submit documents so Freo can verify their details. In a previous phase Freo instituted a project to digitise all of the paper documents applicants submitted per post and then manually enter the data into their systems. Needless to say this was not the most efficient way to go about things, as it could still take a few weeks to finalise a loan application.



Name:

Freo

Headquarters:

Eindhoven, Netherlands

Industry:

Banking

Products and Services:

Consumer loans

Employees: n/a

Web: www.freo.nl

ABBYY Solution Partner:

DAVINCI

PROJECT OVERVIEW

Challenge

Manual processing of loan application documents

Solution

Automated processing based on document classification

Results

60% reduction in manual labour and quicker decision making

Solution

To find further efficiencies by speeding up the process of verifying those incoming documents and making the assessment process as reliable as possible, Freo joined forces with Davinci Group, an international consultancy company specialising in custom software development. Two obstacles were identified in the entire process: the paper trail and assessing documents and data. Davinci recommended their Document Text Analyser (DTA), a cutting-edge software solution based on Recognition Server from ABBYY, a market leader in data and document capture and recognition technology.

ABBYY Recognition Server allows organisations to efficiently convert extensive volumes of paper documents, scans and PDFs into searchable and re-usable digital files. Developed specifically for high-volume document capture ABBYY Recognition Server can serve as a standalone OCR service or be integrated into other systems to enhance business-critical applications, such as Davinci's DTA.

"DTA came at the right time for us. We realised that if we wanted to make strides in this highly competitive market, we needed to optimise the underlying processes," says Kersten. "In particular we needed to improve operations when manually processing the loan applications that came per post. This was time consuming and ineffective. DTA integrated with ABBYY Recognition Server gave us that opportunity and removed obstacles related to manual document processing once and for all."

Davinci has developed DTA into an extremely user-friendly and reliable product that is tailored to the financial market. DTA analyses the digitised documents, such as scans or PDFs, and instantly identifies the type of documents. The data contained in these documents is then optically recognised and verified on the basis of predefined business rules. DTA is able to 'spot' any information that has been entered incorrectly and will exclude the document from the automated process.

The beauty of DTA is that the system only needs to be 'trained' once. Once a document type has been configured, DTA can accurately process all those document types. New document types can be configured easily and quickly without the need for protracted programming sessions. The extracted data is automatically routed for additional processing and different customer validation rule operations. The loans themselves are approved by the people who accepted the application.

Results

In order to maintain their competitive edge, businesses are compelled to work as efficiently as possible. More often than not this means making the transition to (online) digitisation. This reduces the paper trail and the inefficiencies in manual processing. Automated processing and assessment of credit applications have greatly enhanced Freo's success as a credit provider. Together with partner Davinci and its flagship product Document Text Analyzer (DTA) Freo has achieved the highest level of processing automation that is currently attainable. Freo was able to gain a competitive advantage without affecting the quality and reliability of the process.

"This efficiency drive has been a tremendous boon for Freo. The DTA solution has helped us reduce manual labour by up to 60%."

*Guido Kersten, Risk Portfolio Management Manager
at De Lage Landen International*

"Our transition to digital processing with ABBYY and Davinci DTA has increased our customer conversion rate," says Kersten. "Because all other administrative and control procedures have been processed and vetted by DTA, and our own credit engine is based on 200 business rules, we can save a lot of time and effort. We estimate that the DTA solution has helped us reduce manual labour by up to 60%."

In conclusion: "Put simply, we have acquired a competitive advantage by processing documents and data quickly and reliably through enhanced automation. Additionally, our clients have noticed that applications are being processed quickly and adequately, often in less than 48 hours. They always know where they stand and that in turn appeals to our customers. This efficiency drive has been a tremendous boon for Freo."

ABOUT ABBYY

ABBYY is a leading provider of text recognition and document conversion technologies and services. Its versatile product portfolio for document processing and information retrieval is available on various platforms and devices. ABBYY offers a broad range of solutions designed for specific business and industry needs. Organisations all over the world rely on ABBYY offerings to optimise their paper-intensive business processes. **More information at www.ABBYY.com**



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